CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA EMPLOYEE BENEFITS COMMITTEE

Meeting of April 23rd, 1980

Attendance: Mr. H. Hemens, Chairman, Mr. E.A. Lemieux, Mr. A. Duff, Prof. C. Goldman, Prof. C. Potter, Mr. W.M. Reay, Miss S. O'Reilly, Prof. G. Martin, Mr. C. Waters, Miss M.D. Johnson, Messr. S. Jarislowsky and D.S. Kertland of Jarislowsky Fraser, Mr. J.L. Bourbeau of William M. Mercer Ltd.

Minutes of the April 8th, meeting

It was proposed by Professor Goldman, seconded by Professor Martin and unanimously carried, that the minutes of the April 8th, 1980 meeting be approved as circulated.

Establishment of Investment Policy and Guidelines with Messrs. Jarislowsky and Kertland of Jarislowsky Fraser

Mr. Jarislowsky stated that real rates of return over long periods of time could best be realised by holding equity. Careful stock selection was produced by Jarislowsky Fraser using the following criteria:

1. Yield
2. Price/Earnings ratio
3. Book Value
4. Replacement Value
5. Price/Cash flow ratio

Before recommending an asset mix or investment strategy, Mr. Jarislowsky proposed that he study the requirement of the plan with the actuaries to determine the cash flow needs. He stated that he would make a proposal after this study and that the procedure would be completed by July 1st, 1980.

The Committee supported this approach and asked if any changes in the current policy should be made in the interim. The resolution passed with Beutel Goodman at the meeting of April 8th was read to Mr. Jarislowsky and he agreed that the guidelines contained therein would be suitable for the interim.

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It was therefore proposed by Professor Potter that:

1. The assets currently in the portfolio be maintained at the present ratio of 60% fixed income and 40% equity.

2. New cash flow be directed 50% to the equity account and 50% to the fixed income account.

3. The full 10% permitted by law of the combined equity and fixed income components be fully invested in U.S. securities.

4. Thirty percent of the remaining balance in the equity account to remain in short term.

The proposal was seconded by Mr. Lemieux and unanimously carried.

Wood Gundy Report

The Secretary reported that Wood Gundy had rejected the counter-proposal that the annual fee be set at $5,000.00 for the Plan. Some discussion was held regarding the utility of receiving a combined report in addition to individual reports for each fund manager. It was generally agreed that a combined report would serve a useful purpose and that its elimination would not, in any case, cause a fee reduction.

It was proposed by Professor Martin, seconded by Mr. Lemieux and unanimously carried that Wood Gundy's original proposal be accepted.

Reciprocal Transfer agreement with C.A.R.R.

The possibility of entering into an agreement with the Commission administrative du régime de retraite was discussed at length. Professor Martin explained that when last brought to the Committee, the proposal to enter into reciprocal transfer agreements with all agreeable institutions was rejected due to cost considerations and due to the fact that they would be inequitable since their advantages could not be enjoyed by all Plan participants leaving or joining the University. He mentioned however, that the Committee had not closed the door on the possibility of negotiating specific agreements for special situations.

Mr. Duff pointed out that he could not support the introduction of any measure which would increase the costs of the pension plan.

It was proposed by Mr. Lemieux, and seconded by Mr. Duff that the proposal to enter into a Reciprocal Transfer agreement with C.A.R.R. be rejected at this time. The proposal was carried.

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Professor Potter remarked that recruitment of teaching staff from outside the province was problematic due to the higher tax rates and education restrictions. His feeling was that Reciprocal Transfer Agreements could alleviate this problem to some extent. It was agreed that the subject would be reviewed in 9 months.

Annual Statements

On a query by Professor Potter, it was agreed that more details would be provided on the withdrawals from the plan for 1979.

It was agreed that the next meeting would be held on May 28th, to review pensions paid currently to retired members.

The meeting terminated at 1:50 p.m.